

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, August 22, 2005, in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Albert Palmisciano, Brian Choiniere, William Mageau, Thomas Partridge, Ann Polacek, Adrien Trudeau, Dennis Whitman

Also in Attendance: William Bernstein, Esq; Theodore Garille

Chairman Palmisciano called the meeting to order at 7:03 pm.

1. Pledge of Allegiance

2. Good and Welfare of the District

A. NEPPA Annual Conference

Mr. Garille gave an overview of the Northeast Public Power Association Annual Conference, held August 15-August 17 and hosted by Pascoag Utility District at the Newport Marriott. He noted that 286 people attended the conference, and all feedback was positive. He added that at the conference, Chairman Palmisciano received an award for Dennis Whitman's years of service. Chairman Palmisciano presented the award to Mr. Whitman and thanked him for his service to the District. Chairman Palmisciano also thanked Mr. Garille and Sharon McDonald for their representation of the District.

B. Potluck Cookout – August 26, 2005

Mr. Garille invited the Board and the members of the public present to the potluck cookout scheduled for August 26th, where the newest member of the RI Public Utilities Commission, Mary Bray, will visit the District.

C. Public Utility Commission Data Request – Docket No. 1725

Mr. Garille reviewed the service terminations (for non-payment) contained in this report to the PUC.

D. Water Pumping History (Harrisville Charges)

The Board reviewed the report, noting that the losses have decreased significantly. Ms. Allaire noted some of what had been considered losses were actually un-metered accounts and that these accounts have had meters installed.

E. Communications

• Letter from EPA

Mr. Garille reviewed the letter from the EPA to the RI Department of Environmental Management, notifying DEM that unused funds held in reserve would be redirected to other EPA sites. He added that the DEM is not precluded from reapplying for funds in the future, but they do not have enough staff to work at all sites at once.

3. Unfinished Business

A. NYPA—Niagara Relicensing Update

Mr. Garille reported that the settlement agreement had been signed and forwarded to FERC for approval; FERC has until August, 2007 to approve the agreement, which freezes prices at \$.022/kwhr (delivered) until 2007. In addition, the agreement allows PUD to purchase power from the plant at the cost-based price (no profit) through the year 2025, and then to purchase power from the plant through the year 2057.

B. Discussion regarding the monthly meeting time

Following discussion, it was decided to move the meeting time to 6:00 pm beginning with the September meeting, and to place the item on that agenda for a vote.

C. Update on Well #5

Mr. Bernstein reported that the District received the approval letter from the Department of Health for Well #5, adding bringing the well on-line is now the responsibility of the engineers. Mr. Garille recognized the long hours of Mr. Bernstein spent on behind-the-scenes activities to reach this point. Mr. Garille also noted that the project has been fully funded by USDA funds, not ratepayer funds.

4. New Business

D. Water Department Restricted Fund

Ms. Allaire reviewed the proposed restricted fund for the Board, noting the Water Department has no savings and operates

quarter-to-quarter. Mr. Choiniere made a motion to create a restricted fund, with the amount to be determined at a later date, which was seconded by Mr. Whitman. The vote in favor was unanimous.

E. GRIDCOM Distributed Antenna System (DAS)

Mr. Garille gave the Board an overview of the GRIDCOM system – an alternative to massive cell phone towers. He noted this is new technology where small antennas are installed on electric poles using fiber optics and hubs, resulting in antenna income as well as hub and building rental income. Following discussion, Mr. Garille was asked to bring the final contract before the board at a subsequent meeting.

5. Committee Comments

A. Employee Benefits Subcommittee Update

Mr. Mageau gave an overview of the Employee Benefits Subcommittee meeting held August 11, 2005. Mr. Choiniere made a motion to receive and file the report; the motion was seconded by Mr. Trudeau. The vote in favor was unanimous.

6. Financial Reports

A. Electric Department – June, 2005

Mr. Garille noted that 1/3 of the District's power portfolio is up for negotiation when the contracts end on December 31st, and it appears there will be an increase in price for this power. Mr. Choiniere made a motion to receive and file the report, which was seconded by Mr. Mageau. The vote in favor was unanimous.

B. Water Department – June, 2005

Mr. Whitman made a motion to receive and file the report, which was seconded by Mr. Choiniere. The vote in favor was unanimous.

7. Public Comment

There was no public comment.

8. Adjournment

Mr. Whitman made a motion to adjourn, which was seconded by Mr. Mageau. The vote in favor was unanimous. Chairman Palmisciano adjourned the meeting at 8:08 pm.

Sharon McDonald, Recording Secretary

Brian Choiniere, Secretary

Board of Utility Commissioners